

STAND. COM. REP. NO.

711

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1410
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Water & Land, to which was referred H.B. No. 1410, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Supportive Housing Special Fund;
- (2) Restructure the conveyance tax to a marginal rate system and adjust the tax for multifamily properties to reflect value on a per-unit basis;
- (3) Allocate a portion of conveyance tax revenues to the Supportive Housing Special Fund; and
- (4) Allocate a portion of conveyance tax revenues to the Dwelling Unit Revolving Fund to fund infrastructure programs in county-designated transit-oriented development areas that meet minimum standards of transit-supportive density.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawai'i State Council on Developmental Disabilities; Office of

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Planning and Sustainable Development; one member of the Hawai'i County Council; Hawai'i Appleseed Center for Law & Economic Justice; Catholic Charities Hawai'i; Hawai'i Children's Action Network Speaks!; The Nature Conservancy Hawai'i and Palmyra; and two individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources; Department of Taxation; Tax Foundation of Hawaii; Grassroot Institute of Hawaii; and one individual.

Your Committee finds that the State's affordable housing crisis is exacerbated by inadequate infrastructure funding and a lack of stable financing, particularly for supportive housing. Your Committee further finds that encouraging transit-oriented development will help the State achieve its climate and energy goals by promoting the creation of sustainable, walkable communities that reduce reliance on cars, lower carbon emissions, and support local businesses. By restructuring the conveyance tax to a marginal rate system and increasing rates on high-value non-owner-occupied homes, as proposed by this measure, the State will be able to generate dedicated revenue for affordable and supportive housing projects that are vital to the community.

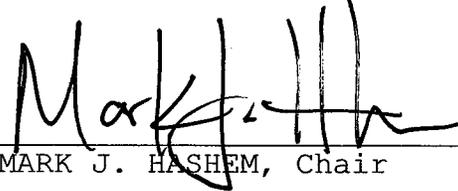
Your Committee has amended this measure by:

- (1) Making agriculturally zoned lands with a residential dwelling unit for which the purchaser is ineligible for a county homeowner's real property tax exemption subject to the non-owner occupied conveyance tax rates; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1410, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1410, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Water & Land,



MARK J. HASHEM, Chair



